

**GENERAL PURPOSE
FINANCIAL STATEMENTS**



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Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Enterprise	Trusts & Agency
Assets and Other Debits					
Assets					
Cash and cash equivalents	\$ 47,172,252	\$ 3,206,600	\$ 36,595	\$ 33,200,975	\$ 3,128,601
Restricted cash and cash equivalents	339,921	949,125	98,999	44,402,889	
Restricted investments				10,942,545	
Investments	1,500,529	683,262			16,760,915
Receivables, net of allowances for collection losses	19,711,618	1,504,669	2,516,353	19,183,022	1,196,281
Prepaid items				2,565,286	
Due from other funds	6,786,143	66,000		365,316	
Due from the City of Manchester					
Inventories	464,191			665,508	
Land held for resale		504,187			
Property and equipment, net, where applicable, of accumulated depreciation				418,598,996	
Total Assets	75,974,654	6,913,843	2,651,947	529,924,537	21,085,797
Other Debits					
Amounts to be provided for by taxation:					
Bonds payable - City					
Capital appreciation bonds					
Bonds payable - Manchester School District					
Compensated absences					
Insurance claims					
Insurance claims from general fund					
Net Pension Obligations					
Landfill closure and post-closure care					
Retirement of general long-term obligations					
Total Other Debits					
Total Assets & Other Debits	\$ 75,974,654	\$ 6,913,843	\$ 2,651,947	\$ 529,924,537	\$ 21,085,797

See accompanying notes.

Account Groups		Total	Component Units			Total
General	General	Primary Government	Manchester	Manchester	Pension	Reporting Entity
Fixed Assets	Long-Term Debt	(Memorandum Only)	School District	Transit Authority	Trust	(Memorandum Only)
		\$ 86,745,023	\$ 11,149,343	\$ 1,245,129	\$232,477	\$ 99,371,972
		45,790,934				45,790,934
		10,942,545				10,942,545
		18,944,706			93,029,088	111,973,794
		44,111,943	3,338,302	828,040	254,173	48,532,458
		2,565,286		47,338	11,090	2,623,714
		7,217,459	1,709,786			8,927,245
			7,832,218			7,832,218
		1,129,699		152,817		1,282,516
		504,187				504,187
<u>\$ 158,601,262</u>		<u>577,200,258</u>	<u>9,466,693</u>	<u>2,433,456</u>		<u>589,100,407</u>
<u>158,601,262</u>		<u>795,152,040</u>	<u>33,496,342</u>	<u>4,706,780</u>	<u>93,526,828</u>	<u>926,881,990</u>
	\$ 68,034,279	68,034,279				68,034,279
	5,988,117	5,988,117				5,988,117
	42,836,164	42,836,164				42,836,164
	5,257,656	5,257,656				5,257,656
	2,508,988	2,508,988				2,508,988
	2,168,576	2,168,576				2,168,576
	364,220	364,220				364,220
	19,931,904	19,931,904				19,931,904
			13,261,332			13,261,332
	<u>147,089,904</u>	<u>147,089,904</u>	<u>13,261,332</u>			<u>160,351,236</u>
<u>\$ 158,601,262</u>	<u>\$ 147,089,904</u>	<u>\$ 942,241,944</u>	<u>\$ 46,757,674</u>	<u>\$ 4,706,780</u>	<u>\$ 93,526,828</u>	<u>\$ 1,087,233,226</u>

(continued)

Combined Balance Sheet (continued)
All Fund Types, Account Groups and Discretely Presented Component Units

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Enterprise	Trusts & Agency
Liabilities, Fund Equity and Other Credits					
Liabilities					
Accounts and warrants payable	\$ 3,714,479	\$ 1,109,006	\$ 1,635,069	\$ 6,263,329	
Retainage payable			108,998	1,868,848	
Accrued liabilities	1,785,017	28,077		7,175,761	
Insurance claims payable	810,705				
Due to other funds		146,741	2,519,254	1,721,117	\$ 2,830,347
Due to Manchester School District	7,832,218				
Deferred revenue	17,755,361	270,404		205,745	
Taxes collected in advance	24,385,060				
Amount payable for pension benefits					
Bonds and notes payable - City				256,960,126	
Capital appreciation bonds					
Bonds and notes payable - Manchester School District					
Due to State of New Hampshire				7,625,084	
Compensated absences				1,243,219	
Old system and NHRS supplemental benefits					
Landfill closure and post-closure care					
Other		548,751		279,006	
Total Liabilities	56,282,840	2,102,979	4,263,321	283,342,235	2,830,347
Equity and Other Credits					
Investment in general fixed assets					
Contributed capital				123,112,416	
Retained earnings					
Reserved				19,256,042	
Unreserved				104,213,844	
Fund balances					
Designated for					
Workers' compensation	624,424				
Health insurance	1,610,823				
General liability insurance	1,452,818				
Reserved for					
Encumbrances	1,032,741	1,335,799	7,616,636		
Cemetery and other trust funds					15,467,449
Library					2,788,001
Employees' Retirement System					
Inventory	464,191				
Advances	1,721,117		2,493,932		
Revenue stabilization	9,008,623				
Land held for resale		504,187			
Unreserved					
Undesignated fund balance (deficit)	3,777,077	2,970,878	(11,721,942)		
Total Equity and Other Credits	19,691,814	4,810,864	(1,611,374)	246,582,302	18,255,450
Total Liabilities, Equity and Other Credits	\$ 75,974,654	\$ 6,913,843	\$ 2,651,947	\$ 529,924,537	\$ 21,085,797

See accompanying notes.

Account Groups		Total Primary Government (Memorandum Only)	Component Units			Total Reporting Entity (Memorandum Only)
General Fixed Assets	General Long-Term Debt		Manchester School District	Manchester Transit Authority	Pension Trust	
		\$ 12,721,883	\$ 1,609,288	\$ 18,077	\$ 141,949	\$ 14,491,197
		1,977,846				1,977,846
		8,988,855	11,439,859	44,030	350,027	20,822,771
	\$ 4,677,564	5,488,269	900,246			6,388,515
		7,217,459	1,709,786			8,927,245
		7,832,218				7,832,218
		18,231,510	20,228,069	5,765		38,465,344
		24,385,060				24,385,060
			4,328,611			4,328,611
	68,034,279	324,994,405				324,994,405
	5,988,117	5,988,117				5,988,117
	42,836,164	42,836,164				42,836,164
		7,625,084				7,625,084
	5,257,656	6,500,875		327,609		6,828,484
	364,220	364,220				364,220
	19,931,904	19,931,904				19,931,904
		827,757				827,757
	147,089,904	495,911,626	40,215,859	395,481	491,976	537,014,942
\$ 158,601,262		158,601,262	9,466,693			168,067,955
		123,112,416		946,938		124,059,354
		19,256,042		1,639,028		20,895,070
		104,213,844		1,725,333		105,939,177
		624,424				624,424
		1,610,823				1,610,823
		1,452,818				1,452,818
		9,985,176	34,968			10,020,144
		15,467,449				15,467,449
		2,788,001				2,788,001
					93,034,852	93,034,852
		464,191				464,191
		4,215,049				4,215,049
		9,008,623				9,008,623
		504,187				504,187
		(4,973,987)	(2,959,846)			(7,933,833)
158,601,262		446,330,318	6,541,815	4,311,299	93,034,852	550,218,284
\$ 158,601,262	\$ 147,089,904	\$ 942,241,944	\$ 46,757,674	\$ 4,706,780	\$ 93,526,828	\$ 1,087,233,226

**Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units**

	General Fund	Special Revenue Funds	Capital Projects Fund
<u>Revenues</u>			
Taxes	\$ 58,628,056		
Federal and state grants and aid	7,146,789	\$ 7,930,776	\$ 220,728
Nonenterprise charges for sales and services	3,898,497	186,858	
Licenses and permits	18,432,863		
Interest	2,255,766	136,453	
Contributions			
Net gain (loss) on sale of securities			
Other	7,942,319	2,613,453	
Total Revenues	98,304,290	10,867,540	220,728
<u>Expenditures</u>			
Current:			
General government	17,384,526	9,969,894	6,819,847
Public safety	32,148,521	1,594,302	28,574
Health and sanitation	2,620,250	608,849	15,574
Highway and streets	19,717,326	906,019	3,007,299
Welfare	1,401,741	50,440	
Education	2,184,410	607,838	570,474
Parks and recreation	2,940,972	636,775	2,303,659
Cemetery Trust			
Investment management fee			
Debt service:			
Principal retirement	10,287,693		
Interest	3,586,005		
Total Expenditures	92,271,444	14,374,117	12,745,427
Excess (Deficiency) of revenues over expenditures	6,032,846	(3,506,577)	(12,524,699)
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	350,100	2,532,600	
Operating transfers out	(2,532,600)	(50,000)	
Total Other Financing Sources (Uses)	(2,182,500)	2,482,600	
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	3,850,346	(1,023,977)	(12,524,699)
Fund Balance (Deficit), beginning of year	15,841,468	5,834,841	10,913,325
Fund Balance (Deficit), end of year	\$ 19,691,814	\$ 4,810,864	\$ (1,611,374)

See accompanying notes.

Expendable Trust Funds	Total Primary Gov. (Memorandum Only)	Manchester School District	Total Reporting Entity (Memorandum Only)
	\$ 58,628,056	\$ 26,968,740	\$ 85,596,796
	15,298,293	72,758,132	88,056,425
	4,085,355	15,689,722	19,775,077
	18,432,863		18,432,863
\$ 337,785	2,730,004	443,944	3,173,948
2,008,672	2,008,672	190,274	2,198,946
(11,146)	(11,146)		(11,146)
	10,555,772	962,860	11,518,632
2,335,311	111,727,869	117,013,672	228,741,541
1,796,703	35,970,970		35,970,970
	33,771,397		33,771,397
	3,244,673		3,244,673
	23,630,644		23,630,644
	1,452,181		1,452,181
	3,362,722	108,250,789	111,613,511
	5,881,406		5,881,406
60,384	60,384		60,384
9,989	9,989		9,989
	10,287,693	6,236,433	16,524,126
	3,586,005	1,958,028	5,544,033
1,867,076	121,258,064	116,445,250	237,703,314
468,235	(9,530,195)	568,422	(8,961,773)
	2,882,700		2,882,700
	(2,582,600)		(2,582,600)
	300,100		300,100
468,235	(9,230,095)	568,422	(8,661,673)
2,591,007	35,180,641	(3,493,300)	31,687,341
\$ 3,059,242	\$ 25,950,546	\$ (2,924,878)	\$ 23,025,668

**Combined Statement of Revenues, Expenses,
and Changes in Retained Earnings/Fund Balances -
All Proprietary Fund Types and Nonexpendable Trust Funds and Discretely Presented Component Units**

	Proprietary Fund Type	Fiduciary Fund Type
	Enterprise	Nonexpendable Trust Funds
Revenues		
Charges for goods and services	\$ 49,630,482	
Interest and dividends		\$ 553,831
Contributions		250,518
Investment income (loss)		(513,340)
Other	2,139,973	
Total Revenues	51,770,455	291,009
Expenses		
Personnel services	11,239,154	
Plant maintenance	5,843,683	
Light/heat and power	4,618,610	
General and administrative	7,424,303	
Depreciation and amortization	11,939,873	
Cemetery		38,750
Library		75,487
Investment management fee		35,253
Total Expenses	41,065,623	149,490
Operating Income	10,704,832	141,519
Non-operating Revenues (Expenses), net		
Soundproofing program grant	2,774,840	
Soundproofing program expense	(2,950,505)	
Interest income	4,958,372	
Interest expense	(11,738,464)	
Reimbursements of bond interest expense	352,326	
Passenger facility charges	4,541,383	
Customer facility charges	1,965,674	
Rent and other income	137,145	
Total Non-operating Revenues (Expenses)	40,771	
Net income before capital contributions and operating transfers	10,745,603	141,519
Capital Contributions	8,431,597	
Operating Transfers Out		(300,100)
Net Income (Loss)	19,177,200	(158,581)
Add depreciation on fixed assets acquired by grants and individual contributions externally restricted for capital acquisitions and construction that reduces contributed capital	5,120,188	
Increase (Decrease) in Retained Earnings/Fund Balance	24,297,388	(158,581)
Retained Earnings/Fund Balances, beginning of year	99,172,498	15,354,789
Retained Earnings/Fund Balances, end of year	\$ 123,469,886	\$ 15,196,208

See accompanying notes.

Total Primary Government (Memorandum Only)	Manchester Transit Authority	Total Reporting Entity (Memorandum Only)
\$ 49,630,482	\$ 2,190,102	\$ 51,820,584
553,831		553,831
250,518	1,695,166	1,945,684
(513,340)		(513,340)
2,139,973		2,139,973
52,061,464	3,885,268	55,946,732
11,239,154	2,863,242	14,102,396
5,843,683	675,852	6,519,535
4,618,610	72,308	4,690,918
7,424,303	177,595	7,601,898
11,939,873	519,177	12,459,050
38,750		38,750
75,487		75,487
35,253		35,253
41,215,113	4,308,174	45,523,287
10,846,351	(422,906)	10,423,445
2,774,840		2,774,840
(2,950,505)		(2,950,505)
4,958,372	41,601	4,999,973
(11,738,464)		(11,738,464)
352,326		352,326
4,541,383		4,541,383
1,965,674		1,965,674
137,145		137,145
40,771	41,601	82,372
10,887,122	(381,305)	10,505,817
8,431,597	186,327	8,617,924
(300,100)		(300,100)
19,018,619	(194,978)	18,823,641
5,120,188	233,380	5,353,568
24,138,807	38,402	24,177,209
114,527,287	3,325,959	117,853,246
\$ 138,666,094	\$ 3,364,361	\$ 142,030,455

Combined Statement of Cash Flows -
All Proprietary Fund Types, Nonexpendable Trust Funds
and Discretely Presented Component Units

City of Manchester, New Hampshire
Year Ended June 30, 2001

	Proprietary Fund Type Enterprise	Nonexpendable Fiduciary Fund Type Trusts	Total (Memorandum Only)	Manchester Transit Authority	Total Reporting Entity (Memorandum Only)
Cash Flows from Operating Activities					
Cash received from customers	\$48,243,717		\$48,243,717	\$2,424,654	\$50,668,371
Contributions		\$ 250,518	250,518	1,695,166	1,945,684
Cash payments for goods and services	(13,849,978)	226,613	(13,623,365)	(788,016)	(14,411,381)
Cash payments to employees for services	(9,126,671)		(9,126,671)	(2,768,126)	(11,894,797)
Other operating revenues	284,531		284,531		284,531
Net Cash Provided by Operating Activities	25,551,599	477,131	26,028,730	563,678	26,592,408
Cash Flows from Non-Capital and Related Financing Activities					
Amounts from federal & state governments for soundproofing	2,774,840		2,774,840		2,774,840
Soundproofing related expenses	(2,950,505)		(2,950,505)		(2,950,505)
Passenger and customer facility charges	6,503,719		6,503,719		6,503,719
Short-term cash advance from City	(4,226,007)	(300,100)	(4,526,107)		(4,526,107)
Net Cash Provided (Used) by Non-Capital & Related Financing Activities	2,102,047	(300,100)	1,801,947		1,801,947
Cash Flows from Capital and Related Financing Activities					
Proceeds from State of New Hampshire Revolving Fund	7,494,682		7,494,682		7,494,682
Reimbursement of bond interest expenses	352,326		352,326		352,326
Principal paid on bonds	(7,927,467)		(7,927,467)		(7,927,467)
Interest paid on bonds	(10,805,714)		(10,805,714)		(10,805,714)
Contributed capital by federal, state & local governments	5,861,562		5,861,562	(4,791)	5,856,771
Acquisition and construction of capital assets	(50,255,268)		(50,255,268)	(537,285)	(50,792,553)
Net Cash Used in Capital & Related Financing Activities	(55,279,879)		(55,279,879)	(542,076)	(55,821,955)
Cash Flows from Investing Activities					
Purchase of investment securities	724,130	(1,052,902)	(328,772)		(328,772)
Proceeds from sale and maturities of investment securities	(99,131)	269,972	170,841		170,841
Investment management fee		(18,376)	(18,376)		(18,376)
Interest and dividends from investments	5,159,005	541,156	5,700,161	41,601	5,741,762
Net Cash Provided (Used) by Investing Activities	5,784,004	(260,150)	5,523,854	41,601	5,565,455
Net Increase (Decrease) in Cash and Cash Equivalents	(21,842,229)	(83,119)	(21,925,348)	63,203	(21,862,145)
Cash and cash equivalents at beginning of period	99,446,093	621,308	100,067,401	1,181,926	101,249,327
Cash and Cash Equivalents at End of Period	\$77,603,864	\$ 538,189	\$78,142,053	\$1,245,129	\$79,387,182
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$10,704,832	\$ 141,519	\$10,846,351	\$ (422,906)	\$10,423,445
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation and amortization	11,939,873		11,939,873	519,177	12,459,050
Investment income (loss)		513,340	513,340		513,340
Interest income (loss)		(558,034)	(558,034)		(558,034)
Investment management fee		35,254	35,254		35,254
Non-operating revenue	137,145		137,145		137,145
Change in Assets and Liabilities					
Decrease in receivables	221,715	4,202	225,917	234,901	460,818
Decrease in inventories	93,906		93,906	86,845	180,751
(Increase) Decrease in prepaid expenses and other assets	(1,588,731)		(1,588,731)	45,543	(1,543,188)
Increase in accounts payable	3,845,043		3,845,043	5,351	3,850,394
Increase (Decrease) in accrued and other liabilities	116,535		116,535	14,566	131,101
Increase in compensated absences	82,956		82,956	80,550	163,506
Increase (Decrease) in Deferred Revenue	25,564		25,564	(349)	25,215
Increase (Decrease) in interfund liabilities	(27,239)	340,850	313,611		313,611
Net Cash Provided by Operating Activities	\$25,551,599	\$ 477,131	\$26,028,730	\$ 563,678	\$26,592,408

See accompanying notes.

General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Budget Basis)

City of Manchester, New Hampshire
Year Ended June 30, 2001

	Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes	\$ 58,407,397	\$ 57,853,185	\$ (554,212)
Federal and state grants and aid	6,602,383	6,536,719	(65,664)
Nonenterprise charges for sales and services	3,625,590	3,898,497	272,907
Licenses and permits	16,874,713	18,432,863	1,558,150
Interest	1,700,000	2,255,766	555,766
Other	9,450,830	7,942,319	(1,508,511)
Total Revenues	96,660,913	96,919,349	258,436
<u>Expenditures</u>			
Current:			
General government	21,192,757	17,549,103	3,643,654
Public safety	31,827,262	31,637,877	189,385
Health and sanitation	2,503,716	2,414,535	89,181
Highway and streets	19,914,099	19,672,454	241,645
Welfare	1,379,197	1,379,195	2
Education	2,302,570	2,197,153	105,417
Parks and recreation	3,240,013	2,956,188	283,825
Debt service:			
Principal retirement	10,287,693	10,287,693	
Interest	3,586,006	3,586,005	1
Total Expenditures	96,233,313	91,680,203	4,553,110
Excess of revenues over expenditures	427,600	5,239,146	4,811,546
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	350,000	350,100	100
Operating transfers out	(2,577,600)	(2,532,600)	45,000
Total Other Financing Sources (Uses)	(2,227,600)	(2,182,500)	45,100
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (1,800,000)	\$ 3,056,646	\$ 4,856,646

See accompanying notes.

**Statement of Changes in Net Assets
Available for Benefits
Pension Trust and Discretely Presented Component Unit**

**City of Manchester, New Hampshire
Year Ended December 31, 2000
and June 30, 2001**

	Primary Government Old System June 30, 2001	Discretely Presented Component Unit New System Dec 31, 2000
Additions:		
Investment Income:		
Interest		\$ 898,439
Dividends		1,823,841
Net realized and unrealized appreciation in fair value of investments		140,385
Less investment expense		(424,240)
Net investment income	-	2,438,425
Contributions:		
Employer	\$ 2,034,197	716,240
Employee		1,242,679
Total contributions	2,034,197	1,958,919
Total Additions	2,034,197	4,397,344
Deductions:		
Benefits paid directly to participants	2,034,197	3,920,871
Refunds of employee contributions		155,951
Administrative expenses		588,663
Total deductions	2,034,197	4,665,485
Net Increase (Decrease)	-	(268,141)
Net assets available for benefits, beginning of year	-	93,302,993
Net assets available for benefits, end of year	\$ -	\$ 93,034,852

See accompanying notes